



Call in number for tomorrow's call (Friday, October 19th) between GCGCD/UEC regarding 2 monitoring wells. Time: 9:00 am Central. 1-866-299-3188. Access Code 214-665-6729#.

Stacey Dwyer to: Art Dohmann, Harry Anthony

10/18/2012 04:00 PM

Cc: Philip Dellinger, Natalie Berry

From: Stacey Dwyer/R6/USEPA/US
To: Art Dohmann <artdohmann@gmail.com>, Harry Anthony <hanthony@uraniumenergy.com>
Cc: Philip Dellinger/R6/USEPA/US@EPA, Natalie Berry/R6/USEPA/US@EPA

Art and Harry,
Tomorrow, Friday, October 19th, I along with Phil Dellinger, will facilitate a call between the both of you regarding an agreement to construct and conduct analysis associated with two monitoring wells. I have asked that both of you provide me with information regarding what you would like to see in this agreement and that information is provided below. Realize that this agreement will be between GCGCD and UEC, not EPA.

I look forward to the conference call at 9:00 am tomorrow, Friday, October 19th. The call in number is 1-866-299-3188. Access Code is 214-665-6729#.

If you have trouble calling in, please call my secretary, Natalie Berry, at 214-665-7150.

Thank you,

Stacey B. Dwyer, P.E.
Associate Director
Source Water Protection Branch
US EPA Region 6
214-665-6729 phone
214-665-2191 fax

----- Forwarded by Stacey Dwyer/R6/USEPA/US on 10/18/2012 03:30 PM -----

From: Harry Anthony <hanthony@uraniumenergy.com>
To: Stacey Dwyer/R6/USEPA/US@EPA
Date: 10/18/2012 03:27 PM
Subject: Proposal to GCGCD

Stacey

. "We" refers to UEC.

1. We will provide funding to drill two wells (bid out) to be drilled to Class 3 specifications.
2. We will request to be present when the wells are being drilled, cased, developed, and sampled.
3. We will want to log the wells.
4. We will provide \$1,500 a year for sampling while the company is mining and/or restoring. This is ample funding to analyze for Uranium and Radium covering multiple samplings a year from an Approved EPA lab. Once restoration activities are completed and no more activities are incurring at the project GCGCD will have full responsibility for any sampling thereafter.
5. The wells will be locked and require two keys (UEC and GCGCD) to gain access.
6. We will request a 7 day notice as to when they intend to sample so we may be present to split samples.
7. We will agree as to the location of each well.

Harry L. Anthony, IV PE | Chief Operating Officer - Director

00717.pdf

Uranium Energy Corp.

Direct: 361-888-8235 ext 224

Fax: 361-888-5041

Cell: 361-522-8880



NYSE MKT: UEC | www.uraniumenergy.com

From: "Art Dohmann" <artdohmann@gmail.com>

To: Stacey Dwyer/R6/USEPA/US@EPA

Cc: "Barbara Smith" <bsmith@goliadcogcd.org>, "LILLIAN KOZIELSKI" <jlkozi@usawide.net>,
"John Dreier" <jhdreier@gmail.com>, <coastalbendrealty@yahoo.com>, "Wesley Ball"
<wball@firstvictoria.com>

2 attachments



EPA LETTER NO. 2 001.jpg



GCGCD letter to the EPA.docx

Stacey,

Please refer to the attached documents. If you have any questions please call me at 361-564-2026.

Art Dohmann

The Goliad County Groundwater Conservation District, GCGCD, outlined requirements for in-situ uranium mining in Goliad County, in March, of 2009. These requirements were distributed to all companies attempting to mine uranium ore in Goliad County. On October 17, 2012, the GCGCD reviewed and validated the requirements for uranium mining in Goliad County. The following four items apply to the monitor wells and the mining operations inside the area known as a PAA or the mining area.

1. A minimum of twelve, (12), monitor wells are to be placed within any and all production areas. The wells are to vary in horizontal distance, beginning at fifty feet and extending out to four hundred feet from the in-situ mining wells. At least two of these monitor wells are to be placed in each production sand: Two above; two below and two in the sand being mined.

2.. The monitoring and sampling of the monitor wells located inside the mining area is to be conducted by an independent, accredited environmental laboratory every thirty days. The independent environmental lab is to report the results to GCGCD and the mining company within thirty days following the date of the sampling. The mining company will be required to pay the expense of sampling and laboratory testing of the wells located inside the mining area for the duration of the mining activity and at least five years after all mining ceases. Provided no contamination or evidence of contamination of the aquifer or of any individual water wells has occurred within five years after mining has ceased the frequency of the monitoring and sampling shall be reduced to six month intervals or at a rate and period of time to be determined by the GCGCD.

3. The GCGCD is to have access to the mining operations at all times. Access will only be gained during normal business hours and GCGCD will not interfere with the mining operations.

4. The uranium mining company is to apply for water well permits from the GCGCD and comply the GCGCD rules for reporting water usage and permit renewals.

The following requirements will apply to water wells located outside of the mining area:

1. A reserve fund of \$1,000,000 for replacement of contaminated water wells located outside of the mining area is to be established by the mining company. This fund may be cash or bond and is to be payable to GCGCD for a period of not less than ten years or at least for five years after all mining ceases.. GCGCD is to establish parameters and requirements for sampling, testing, determination and replacement of contaminated water wells. This fund is to be managed at the sole discretion of GCGCD.

2. GCGCD will continue to sample and test the water quality of the twelve wells it has been monitoring for the past six years and/or any other wells it deems necessary to determine the quality of the water outside of the mining area. GCGCD will continue to pay for the monitoring of the wells outside of the mining area.

The above listed requirements have been adopted by the GCGCD for the purpose of protecting the natural resources of Goliad County. These requirements are to apply to any and all individuals or companies desiring to mine uranium ore in Goliad County. GCGCD is open and willing to work with the Environmental Protection Agency, the Texas Commission of Environmental Quality and the mining company in formulating and conducting the specific details of the above listed requirements.

Respectively submitted by:

Chairman of GCGCD, Art Dohmann and Director Raulie Irwin

Dated: Oct. 17, 2012



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Harry L. Anthony, IV PE | Chief Operating Officer - Director

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"John Dreier" <jhdreier@gmail.com>, <coastalbendrealty@yahoo.com>, "Wesley Ball"
<wball@firstvictoria.com>

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EPA LETTER NO. 2 001.jpg GCGCD letter to the EPA.docx



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Art Dohmann

GCGCD comments to the EPA, October 18, 2012

In November 2001, the residents of Goliad County approved putting in place a locally elected Board of seven to manage the groundwater resources in the County. The Goliad County Groundwater Conservation District (GCGCD) is dedicated to the task of maintaining a sustainable supply of good quality drinking water for the residents and the local economy. GCGCD has implemented a number of extensive programs to identify and monitor water quality and levels.

In 2006, UEC began uranium exploration activities in north Goliad County near the Ander Community. There are many households located in the area as previously noted by written correspondence and visual maps. The Ander Community also is home to Saint Peters Lutheran Church. Many residents of the Ander Community and many other concerned citizens expressed concern to the Texas Commission on Environmental Quality (TCEQ) and GCGCD over the potential for future contamination of the drinking water supply migrating from the area in the event that uranium mining was to occur. GCGCD along with concerned citizens and the Goliad County Commissioner's Court held public meetings and had many communications with TCEQ concerning the proposed injection permit. This led to the contested case hearing where the Administrative Law Judge and the Office of Public Interest Council (OPIC) independently evaluated that the permit should not be approved. The TCEQ Commissioners approved the injection permit and associated aquifer exemption which brings the project status to the current requested aquifer exemption approval being evaluated by the EPA.

One of the requirements being evaluated by the EPA is if the aquifer exemption area serves as a current drinking water supply. GCGCD has provided to the EPA the locations and well construction data of the domestic wells in the perimeter area surrounding the requested aquifer exemption boundary. Using the date of well installation and the expected life of the wells, it is a probability that groundwater from the aquifer exemption area will migrate to a number of these wells during the life of these wells. The unanswered question is the vertical and horizontal migration of groundwater at the south-east fault indicated on the permit maps. In the area of several domestic wells and the Church well the hydrology of this indicated fault has not been delineated. It is not known if this fault even exists at this location. GCGCD continues to support that pump tests to confirm this unknown hydrology is an appropriate scientific step to take. Otherwise, it is just an opinion.

At the Ander Community site, GCGCD has compiled a data base of water quality in the perimeter area around the permit boundary since 2006 and plans to continue this water quality monitoring in the long term. Accompanying this letter is a water monitoring program that was developed by GCGCD in 2009 and shared with uranium companies. Independent of any other modeling or testing, GCGCD presents this water quality monitoring program as a comprehensive program to help assure the protection of the drinking water supply for current and future use by residents in the perimeter area around an in-situ uranium mining operation. This water quality monitoring program can consist of a combination of existing and new wells.

The next scheduled GCGCD meetings will be October 29, 2012 and November 5, 2012 at which time an agenda item can be included to discuss and develop an agreed to monitoring program.

Art Dohmann, Chairman of GCGCD